



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The Magic Valley Labor Market Area's seasonally adjusted unemployment rate for April 2002 was 3.7 percent. This was eight-tenths of a percentage point lower than March 2002 and three-tenths of a percentage point lower than April 2001. *Nonfarm Payroll Jobs* increased by 2.8 percent year-over-year. The largest increase was in the *Services* sector with a 14.0 percent gain. Decreased jobs in *Government Administration* and *Government Education* of 2.1 and 0.8 percent, respectively, were anticipated because of state budget cut-backs.

The Magic Valley economy is showing excellent strength in job growth and low unemployment. However, the recent announcement that the Simplot potato processing plant in Heyburn will be closing, eliminating at least 649 jobs, will have an adverse effect on the Magic Valley economy. The Mini-Cassia area will be drastically impacted and unemployment will most likely climb into double digits. The payroll loss will result in serious economic problems. The "ripple effect" will be felt in the western Magic Valley, but not as severely since the economy is more diversified and many major employers are still in an expansion mode.

SPECIAL TOPIC

Technology Jobs Growing in Magic Valley

Technology employment has been one of the fastest-growing types of work in the U.S. With the creation of the Internet and its strong usage, along with the increase in personal computer usage, the U.S. has become increasingly information-oriented. Because of this growth in business and personal computing, such occupations as computer salespeople, information technologists, consumer technical support technicians, etc., have grown exponentially over the past decade.

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding counties

	April 2002*	March 2002	April 2001	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	51,310	51,780	50,310	-0.9	2.0
Unemployment	1,910	2,350	2,030	-18.7	-5.9
% of Labor Force Unemployed	3.7	4.5	4.0		
Total Employment	49,400	49,430	48,280	-0.1	2.3
Unadjusted					
Civilian Labor Force	50,470	50,520	49,460	-0.1	2.0
Unemployment	1,790	2,530	1,890	-29.2	-5.3
% of Labor Force Unemployed	3.5	5.0	3.8		
Total Employment	48,680	47,990	47,570	1.4	2.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	39,490	38,730	38,400	2.0	2.8
Goods-Producing Industries					
Mining & Construction	1,860	1,670	1,870	11.4	-0.5
Manufacturing	4,960	4,960	5,040	0.0	-1.6
Durable Goods	890	870	900	2.3	-1.1
Nondurable Goods	4,070	4,090	4,140	-0.5	-1.7
Food Processing	3,060	3,120	3,110	-1.9	-1.6
All Other Nondurable Goods	1,010	970	1,030	4.1	-1.9
Service-Producing Industries	32,670	32,100	31,490	1.8	3.7
Transportation, Comm., & Utilities	2,680	2,640	2,640	1.5	1.5
Wholesale Trade	2,330	2,320	2,340	0.4	-0.4
Retail Trade	8,180	7,820	8,210	4.6	-0.4
Finance, Insurance, & Real Estate	1,370	1,330	1,370	3.0	0.0
Services	10,490	10,300	9,200	1.8	14.0
Government Administration	3,760	3,810	3,840	-1.3	-2.1
Government Education	3,860	3,880	3,890	-0.5	-0.8

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

South Central Idaho did not experience the large growth in technology throughout most of the 1990's. The reasons for this include the lack of a four-year college or university in the area, the lack of any centralized large computing systems, which are located primarily in larger urban areas, and finally, a workforce that had not been exposed to this type of work. However, in the last three years, some developments have taken place that significantly improved the outlook for South Central Idaho in technology-oriented occupations. First, local school districts have greatly enhanced their curriculum in the information technology (IT) areas. Students are able to obtain software certifications and a great deal of hardware trouble-shooting experience at the high school level. Second, the College of Southern Idaho has obtained an excellent reputation for the quality of its IT curriculum and the aptitude of graduates, as well as the college's ability to design and implement training classes tailored to prospective businesses training needs. Third, many local employers such as

banks, school districts, local government, etc., have chosen to hire permanent IT technicians and experts rather than hire consultants. Finally, the opening of the Dell Computer Corporation's Consumer Technical Support Center has not only provided several hundred technical support jobs, it has also stimulated overall interest in technology in the Magic Valley and given a local outlet to new graduates who would have had to move to find work.

The following three IT-oriented occupational categories are found in South Central Idaho. For each area, job prospects and wage expectations are projected over the next year in South Central Idaho.

Information Technology Systems Support workers typically are highly trained in both software and hardware systems. Most incumbents will have an Associate of Applied Science degree as well as many software certifications. Typical employers in this occupation are government, banks, school districts, hospitals, and computer support companies. For the next year, it is expected that there will be one to five new jobs created in South Central Idaho and one to five replacement jobs generated through turnover and attrition. Wage expectation in this occupation is \$14.00 to \$25.00 per hour with full benefits.

Consumer Technical Support workers generally assist computer customers with problems in software, hardware, and system set-ups, most often in an inbound call center setting. Ideal candidates for this occupation will have strong computer skills and hardware knowledge. An Associate of Applied Science in IT Systems degree is strongly recommended as well as software certification. Typical employers would be computer companies, computer chip producers, and some telecommunications companies. The outlook for South Central Idaho in this occupation is very good and 25-125 new jobs are expected to be created with 25-75 replacement jobs created through turnover and attrition. Wage expectations are \$8.00 to \$15.00 per hour with benefits.

The **Inbound/Outbound Call Center Sales and Service** occupation is the final major IT-oriented category in South Central Idaho. This occupation has grown a great deal in the last three years with about six major new employers in the Magic Valley. The employee in this job needs to have working personal computer skills as well as good telephone etiquette and sales ability. Many of these jobs are part-time and provide opportunities for students or people who are looking for a supplemental income. The outlook for South Central Idaho is for 25-100 new jobs per year and 50-150 replacement jobs through turnover. Since this occupation requires a less skilled worker, turnover is

very high. Wage expectation is \$6.00-\$9.00 per hour, generally with no benefits.

AREA DEVELOPMENTS

- On May 3, 2002, Simplot announced that it will permanently close the Heyburn potato processing plant by April 2004. This will result in the elimination of at least 649 processing jobs. The company will eliminate approximately two-thirds of its staff, or 470 jobs, by fall 2002. On May 7, a Rapid Response Team consisting of members of the Idaho Department of Labor and the Southern IdahoWorks! Board met with Simplot officials to develop a plan to inform Simplot employees of the closure and to make the transition as smooth as possible for the displaced workers. A meeting of all Simplot workers was held in late May in Burley to explain options and programs available for the workers.
- Dell Computer Corporation in Twin Falls announced that it would hire more people than originally planned, including an additional 90 customer service technicians. Another 85 will be hired by November 2002. The first 60 customer service employees began training June 1 and the remaining 30 started training June 10. This is in addition to its more than 300 technical support representatives already in place. The company also plans to bring its technical support staff to a total of 450 by the end of the year, making Dell's projected total employment over 600 by the end of 2002.
- Andersen Lumber Company in Twin Falls announced its immediate closure. The long-time Twin Falls business had built a new retail center in the late 1990's, but closed the facility in late 2001. The original retail closure affected approximately 80 full- and part-time workers, but the company kept its lumberyard open until the final closure in May. The lumberyard closure affected another 20 employees.

Gregory Rogers, Regional Labor Economist
771 N. College Road, Twin Falls, ID 83303
(208) 736-3000

E-mail: rogers@labor.state.id.us